weekly economic review

October 25, 2013

Job Vacancies

Alberta's job vacancy rate edges up

Alberta's job vacancy rate, the number of job openings for every job in demand, has hit its highest level since late 2012. The rate averaged 2.6% between May 2013 and July 2013, well above the national average rate of 1.4%. Over the same period, there were 2.3 unemployed people for every job opening in Alberta, much lower than the national average of 6.5. Both measures indicate a job market that is much tighter in Alberta than in the rest of Canada. Alberta's share of national job vacancies, now at 24%, has trended higher in recent months (see chart).

Retail Sales

Consumer spending flat

Alberta's retail sales were essentially unchanged in August at $6.1 billion. However, sales were up a strong 5.5% over the same month last year, led by higher spending at motor vehicle and parts dealers as well as food and beverage stores. Alberta leads the provinces in sales growth, posting the highest year-over-year and year-to-date increases.

Canadian retail sales were up 0.2% in August, lifted by higher sales at food and beverage stores. Year-over-year growth in national sales remains modest at 2.7%.

Wholesale Trade

Trade remains flat in August

Following a sharp run-up starting in late 2009, the value of wholesale trade in Alberta has stayed relatively flat since mid-2012. Increases in certain months have been offset by declines in others. In August, this trend continued, with a 0.7% dip in wholesale trade, partly reversing July's 2.0% gain. Compared with August 2012, sales were up 1.6% as gains in food & beverage and building supplies.

New Housing Construction

Alberta posts another increase, though growth moderating

Construction investment in new housing continues to increase, hitting an all-time high in August. The value new housing investment (in 2007 dollars) was up 5.6% year-over-year (y/y) in August, the 22nd straight increase, but down from more lofty growth earlier in the year. Investment in apartment construction shows no signs of cooling, marking its twenty-third month of at least double digit growth in August (+ 30.7% y/y). Single unit construction investment growth was more restrained, up a scanty 0.1% over August 2012 levels.

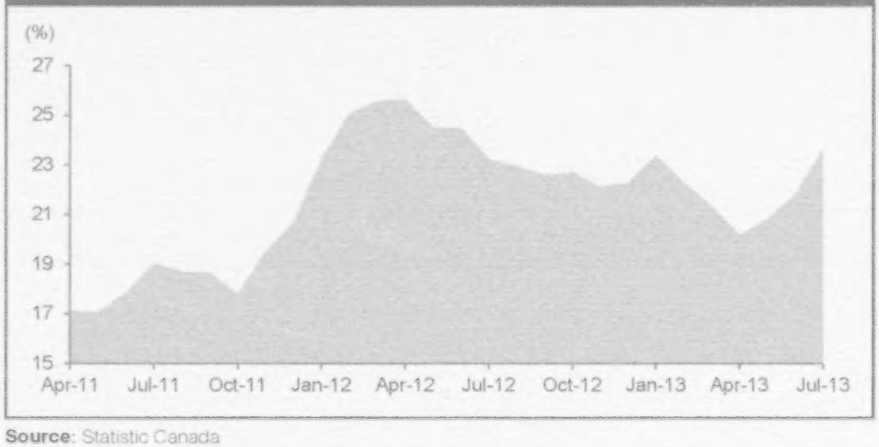
Nationally, new home investment continues to cool, down 11.3% y/y in August.

Monetary Policy

Bank of Canada maintains interest rate

The Bank of Canada kept its key policy rate unchanged at 1%. The Bank hinted that interest rates may remain low for longer than previously thought given ongoing weakness in the outlook for consumer price growth. Inflation is not expected to return to the Bank's two percent target until the last quarter of 2015, a half year later than the Bank forecast in July. The weakness in inflation is in part due to slack in the Canadian economy that is not expected to be eliminated until the end of 2015.

Alberta Share of Canadian Job Vacancies



Source: Statistic Canada

Closing Price	Oct. 17, 2013	Oct. 24, 2013	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	97.23	95.95	96.36
WTI Oil ($US/bbl)	100.67	97.11	100.16
NYMEX Natural Gas($US/MMBtu)	3.76	3.83	3.77

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Alberta Economic Indicators

Population	2011	2012	2013YTD	Apr	May	June	July	Aug	Sept
Population (000's)	3,790	3,889	4,025	3,982	--	--	4,025	--	--
y/y % change	1.5	2.6	3.5	3.2	--	--	3.5	--	--
Net Interprovincial Migration[1]	8,449	27,652	52,677	13,438	--	--	13,791	--	--
Net International Migration[1]	19,411	40,842	52,551	13,632	--	--	20,487	--	--
Net Non-permanent Residents[1]	7,251	10,085	19,560	6,774	--	--	10,472	--	--
Labour Market									
Employment (000's), SA	2,094	2,150	2,195	2,183	2,201	2,201	2,217	2,232	2,236
y/y % change	3.8	2.7	2.4	1.9	2.3	2.6	3.0	3.6	3.7
Unemployment Rate (%), SA	5.5	4.6	4.7	4.4	4.8	5.0	4.5	4.8	4.9
Participation Rate (%), SA	73.7	73.4	73.0	72.5	73.3	73.1	73.0	73.6	73.1
Average Weekly Earnings ($), SA	1,035.75	1,072.98	1,100.38	1,099.83	1,119.34	1,104.47	1,097.63	--	--
y/y % change	4.4	3.6	3.5	3.6	5.4	3.4	1.6	--	--
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	1.4	1.3	2.3	2.3	2.2	1.4	1.3
Excluding food and energy	0.8	1.4	1.3	0.9	1.1	1.6	1.9	1.6	1.5
Non-Res. Building Cons. Price Index[2] (y/y % change)	3.4	3.8	1.1	--	--	0.9	--	--	--
Farm Product Price Index (y/y % change)	18.1	6.3	4.9	4.9	5.9	5.3	--	--	--
Crops	19.0	6.7	8.0	7.0	7.2	5.9	--	--	--
Livestock	17.2	5.9	2.2	2.9	4.8	4.7	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	25.5	33.3	35.1	39.8	42.5	38.1	35.4	28.5	30.5
y/y % change	-5.9	30.7	6.7	0.3	26.7	12.8	6.6	-2.7	-8.7
New Housing Price Index[3] (y/y % change)	0.4	1.3	2.7	2.5	2.7	2.9	3.0	3.3	--
Edmonton	0.9	0.9	0.6	0.4	0.2	0.6	0.6	0.8	--
Calgary	-0.1	1.7	4.9	4.7	5.3	5.3	5.8	6.1	--
MLS Average Resale Prices ($,000's)	352.7	362.0	378.4	375.8	375.6	376.5	378.7	387.2	384.3
y/y % change	0.5	2.6	5.2	4.0	2.9	4.4	4.9	6.6	7.8
Edmonton ($,000's)	324.2	332.7	342.4	345.3	339.6	344.7	340.4	347.5	348.1
y/y % change	0.7	2.6	3.4	4.7	1.1	3.7	2.9	4.2	8.1
Calgary ($,000's)	401.9	410.8	433.6	425.4	424.8	431.0	438.7	440.8	436.8
y/y % change	1.1	2.2	6.6	3.5	2.6	5.3	6.8	7.8	8.7
NEW: Retail Sales, SA (y/y % change)	6.8	6.9	6.4	6.9	7.3	7.6	6.2	5.5	--
New Motor Vehicle Sales (y/y % change)	9.6	10.5	6.6	19.7	7.0	3.4	6.5	--	--
Consumer Bankruptcies	7,029	5,759	2,945	464	434	375	386	--	--
y/y % change	-13.6	-18.1	-18.8	-11.3	-15.7	-22.5	-21.3	--	--
Business Sector									
Rigs Drilling	286	250	232	115	88	115	187	239	251
y/y % change	30.4	-12.6	-5.7	-18.2	-0.3	-17.3	-5.7	7.0	9.6
Goods Exports, customs based (y/y % change)	18.4	1.8	5.6	-0.4	12.3	-0.2	12.9	11.9	--
Energy	19.2	2.1	7.2	-0.5	14.7	1.3	16.1	18.6	--
Farm, Fishing and Intermediate Food	27.2	20.6	-1.3	-6.4	7.1	-16.0	-5.7	-20.7	--
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	-9.3	--	--	--	--	--	--
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	5.9	3.6	1.3	4.6	3.9	8.0	--
NEW: Wholesale Trade, SA (y/y % change)	14.7	10.9	2.2	-0.2	0.3	1.7	2.3	1.6	--
Building Permits, SA (y/y % change)	11.8	14.7	19.3	11.4	1.2	21.6	50.4	2.6	--
Residential	5.2	17.7	13.0	18.4	12.3	16.6	29.1	-8.7	--
Non-residential	20.9	11.0	27.7	5.1	-12.0	28.5	79.7	7.2	--
Business Bankruptcies	264	230	80	15	11	9	9	--	--
y/y % change	-30.2	-12.9	-46.7	-25.0	-60.7	-59.1	-43.8	--	--

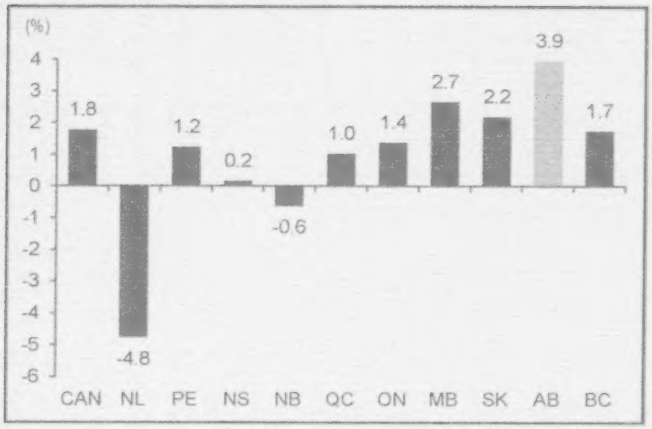
1 Quarterly; annual numbers are presented on a census year basis (July 1 – June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada)

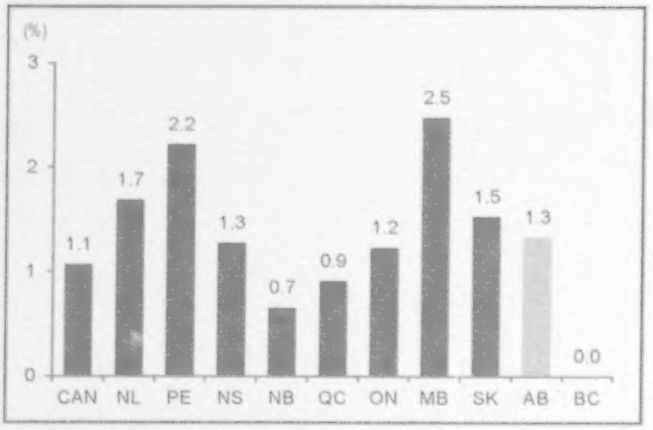
All historical data are subject to revision.

Economic Indicators by Province

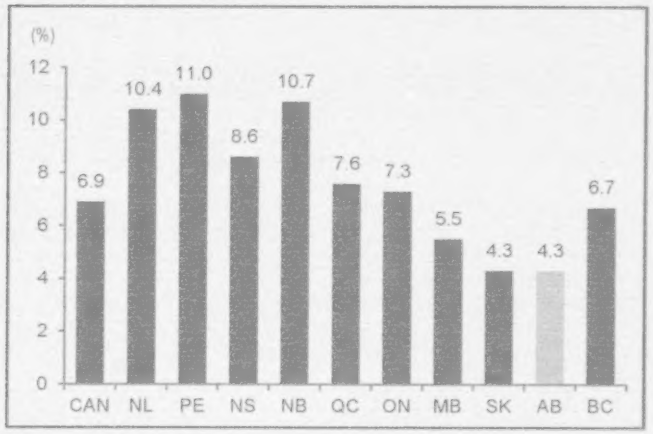
Real GDP by Industry
(2012, year-over-year growth)



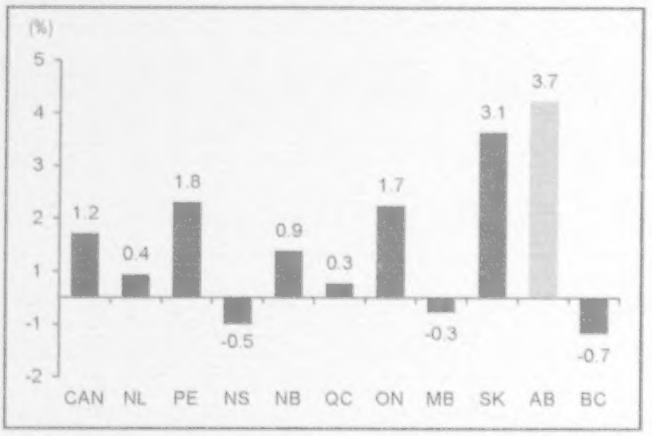
CPI Inflation
(September 2013, year-over-year growth)



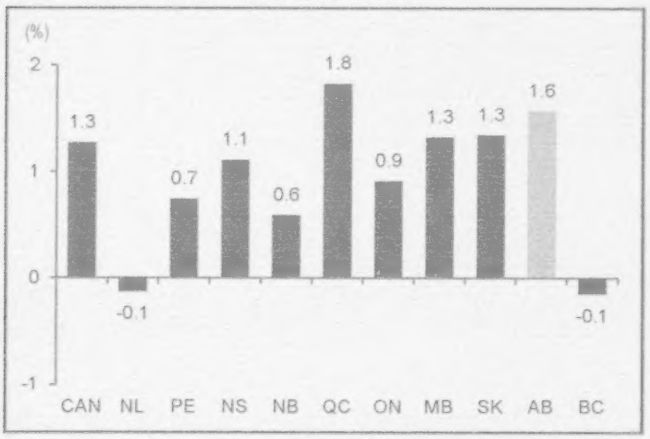
Unemployment Rate
(September 2013)



Employment
(September 2013, year-over-year growth)



Average Weekly Earnings
(July 2013, year-over-year growth)



Housing Starts
(September 2013, SAAR, year-over-year growth)